

Testimony
Kimberly Nystrom
New England Home Care
February 27, 2015

Good Evening Senator Bye, Representative Walker and honorable members of the Appropriations Committee. I am Kimberly Nystrom, President of New England Home Care and Chairperson of the Board of Directors of the Connecticut Association for Healthcare at Home.

In line with our provider Association, the united voice for licensed home health and hospice agencies, we foster cost-effective, person-centered healthcare services for Connecticut's Medicaid population in the setting they prefer most – their own homes.

We Strongly Oppose:

- **OPPOSE:** REDUCTIONS IN THE DEPARTMENT OF SOCIAL SERVICES BUDGET TO REDUCE MEDICAID PROVIDER RATES
- **OPPOSE:** RESTRUCTURE RATES TO ACHIEVE MEDICATION ADMINISTRATION SAVINGS, FUNDING TO HOME HEALTH AGENCIES
- **OPPOSE:** RESTRUCTURE OF STATE-FUNDED HOME CARE PROGRAM TO ELDERLY
- **OPPOSE:** INCREASE COST SHARING (CO-PAY) ON MEDICAID HOME CARE FROM 7% TO 15%

We are Cost Effective and Save Money:

Home health services are critical to:

- Achieving the State's Long Term Care goals of Aging in Place,
- Rebalancing through the Money Follows the Person (MFP) Program, and
- Managing the state's 5,000 mental health and psychiatric patients that were transferred out of mental health hospitals over a decade ago and are residing in Connecticut communities.

New England Home Care provides specialized home health services for Medicaid members who range in age from 1 day to over 100 years old. We have three specialized divisions of home health services.

- **Pediatrics** and care to Medically Fragile Children, servicing over 100.
- **Skilled care to the elderly population** in need of services and interventions to correct or diminish adverse effects
- **Individuals living with chronic and persistent mental illness** and who require assistance to attain or maintain an optimal level of health in addition to prevention of the mental health condition from occurring or deteriorating

By DSS Definition we are Cost Effective

Within the Department of Social Services Medical Services Provider Manual, Home Health Services Policy and Regulation, Chapter 7, our services must be authorized and medically necessary. To be authorized and medically necessary, many services must meet the DSS cost effectiveness test.

The department shall apply a cost effectiveness test for all prior authorization requests for: (1) home health aide services in excess of fourteen hours per week; and (2) all extended nursing services. The purpose of said test is to ensure that the services requiring PA, when combined with other services provided and within the home health care agency's scope of practice, whether or not provided by the home health agency, are not more expensive than the cost of the care would be for the client if the client were to be placed in the appropriate institution.

(b) In determining whether the home health care services are cost effective, the department shall compare the monthly cost of the home health care services with the monthly rate at the appropriate institution. The monthly cost of service in the appropriate institution means the average monthly Medicaid rate, calculated by the department, for a particular type of

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institution, for example, a nursing facility or ICF/MR. The monthly cost of home health care services is defined as the projected costs of providing these services for the client.

(c) The department shall total the costs of the following services to determine the cost of the home health care services: nursing, home health aide, physical therapy, speech therapy and occupational therapy. All costs of providing these services shall be included whether provided by a single home health care agency or multiple Medicaid providers including any other entity that the department reimburses for these services.

(d) The department shall determine whether a nursing facility, ICF/MR, chronic disease hospital or hospice is the appropriate institutional placement. Such determination shall depend on the criteria for admission to the institution and the client's care needs.

(e) The department shall approve PA requests for home health aide services for more than fourteen hours per week or extended nursing services only if:

(1) the total monthly cost of the home health care services as described in subsection (c) of this section is less than the monthly cost of services provided at the appropriate institution as described in subsection (d) of this section; and

(2) all other requirements of sections 17b-262-724 to 17b-262-735, inclusive, of the Regulations of Connecticut State Agencies are met.

(f) Notwithstanding subsections (a) and (e) of this section, the department shall not apply the cost-effectiveness test for a PA request for home health aide services or extended nursing services provided during the first week after

By DSS's own definition, home health services for those with extensive medical or pediatric skilled needs will be provided in the home only if they apply their cost effectiveness test. CONNECTICUT MEDICAL ASSISTANCE PROGRAM, PROVIDER MANUAL HOME HEALTH, CHAPTER 7, CONNECTICUT GENERAL STATUTE, 17b-262-730.

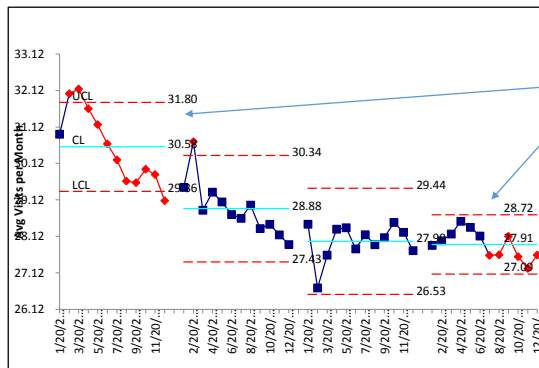
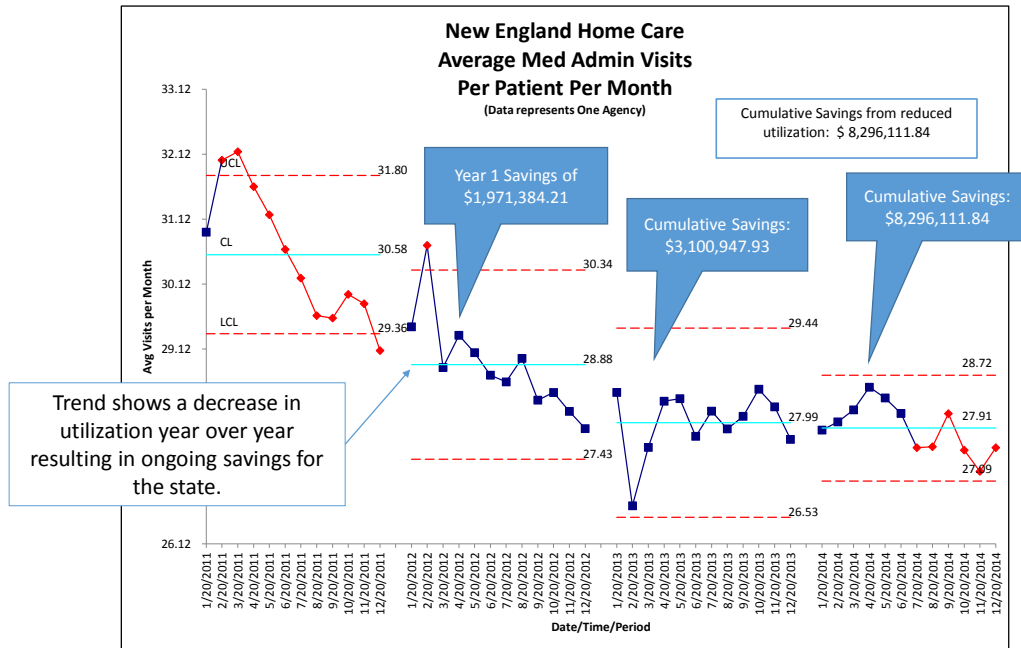
Utilization Reductions achieved the Budgeted Savings.

Another element of home health services is psychiatric nursing and mental health care. This can be provided as skilled nursing, medication administration or home health aide services. You will hear from many psychiatric nurses who provide service to people with complex medical and psychiatric conditions.

The individuals we service have lengthy hospitalization histories and many are at risk for future hospitalization and emergency room overuse. This population is aging and now more than ever we need a skilled and functioning home health care system to assure they remain safely in the communities.

Effective January 2014, nursing delegation of medication administration to home health aides in the home became allowed. The home health industry collaborated with DSS, OPM, DPH and the Medicaid ASOs to ensure that the newly passed law was implemented in a safe and effective manner. During this process, it was discussed that maybe 5% of the population would qualify to receive delegated home health medication administration. We also determined that material savings would be achieved through nursing service reductions and the use of medication boxes as well as taking individuals home through the MFP program. As a result of the material efforts of skilled psychiatric nurses and managers, the home health service industry, with a focus on recovery, health and wellness, achieved material savings in service reduction and positive clinical outcomes. New England Home Care experienced 8.2 million dollars in Medicaid expenditure reductions directly related to moving individuals living with mental illness to a greater level of independence and recovery. The home health industry mirrors this trend with a total savings of approximately 26 million dollars through recovery based skilled nursing service and support. The following graphs show New England Home Care and Industry savings due to continued utilization reduction efforts.

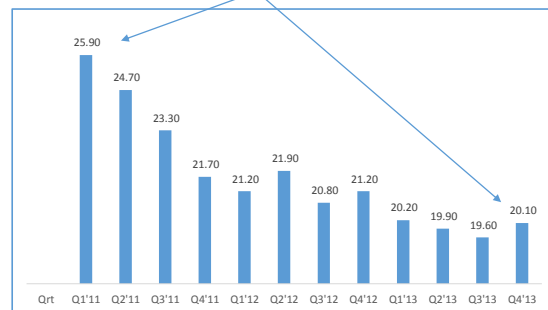
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New England Home Care – Process improvement chart shows significant change in how care is delivered in the home behavioral health services. (Avg. Visits)

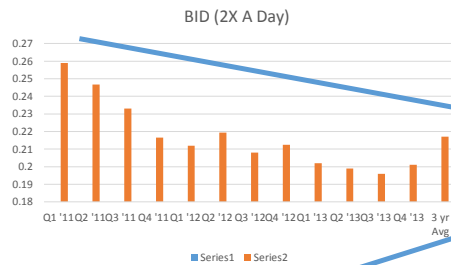
Industry wide reduction in services. Significant decrease in the number of BID visits performed resulting in millions of savings. (%)

Intense focus on recovery, education and training over the past 3 years have resulted in a significant decrease in PMPM medication administration and has saved the state millions in decreased visits as well as avoiding other high cost treatment options.

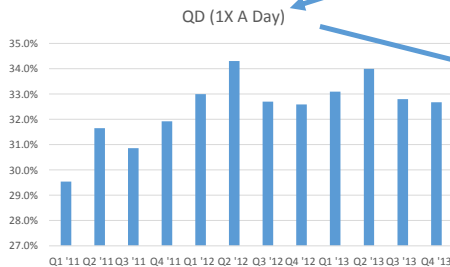
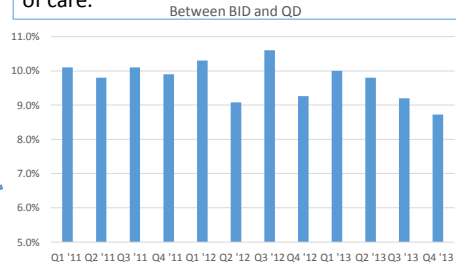


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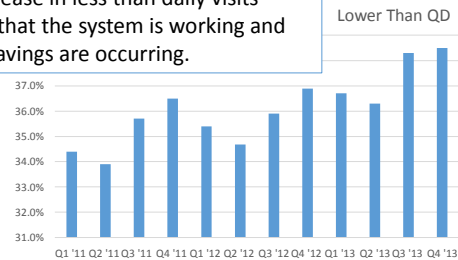
1. Nurses stabilize patients and move to a lower level of care.



2. Patients that have successfully "tested for success" and independence move to a lower level of care.



3. Increase in less than daily visits show that the system is working and that savings are occurring.



Rate Cut will undermine Rebalancing efforts and Increase Costs

Delegation was effective January 2014. We needed to reorganize, train, develop and create a supervision infrasture that would sustain a successful delegation model. Nursing delegation of medication administration is a material change in the system that will have positive results with support and collaboration. Rate cutting without allowing a safe and effective delegation process is punitive and short sighted. It will drive trained psychiatric clinicians, proven to save the State money, as the above graphs demonstrate, from the field. Without these clinicians, we cannot continue to achieve these savings by moving individuals home and managing them safely at the lowest cost. These are not changes that take place overnight.

Having been a provider in DSS health care services for 30 years, I respectfully remind you that it is not uncommon to have the budget reflect an aggressive savings target. In reality, a rate cut will undermine the rebalancing goals, a rate cut will create a shortage of skilled clinicians willing to work in home health allowing us to take more individuals home allowing them to age in place.

Today, I come to you with a solution and a savings, we have the data that shows that utilization of behavioral nursing services is decreasing saving the State money. Further, we support medication delegation as an adjunct solution for continued savings. Rate cuts will undermine this progress.

Thank you for this opportunity and all that you all do to ensure that the integrity of home health services to Connecticut residents in need of medical and mental health services.

Sincerely,
Kimberly Nystrom, RN, BSN, JD
President, New England Home Care
Chairperson
Board of Directors
Connecticut Association for Healthcare at Home